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of an intellectual aristocracy, western Europe would be as unprogressive as we imagine China to be.

Much might be said in the way of criticism of the positions which the author defends. But the circumstances under which the essays were published rather preclude severe criticism, and on the whole we are inclined to agree with the editor, that the matter was worth publishing. It may be said, however, apropos of the point raised in regard to China, that even if we agree that it was philosophy and not racial peculiarities which arrested Chinese development, we have still to explain the fact that the Chinese were willing to accept a system of government by philosophers, while the Aryans would not. Nor would it be an easy thing, we fancy, to demonstrate that racial peculiarities had no place in fixing the relative position of the black and red races toward the white race in the history of civilization; unless, indeed, we should maintain that living in Africa would make the white race black, or living in America make it red, with all which that implies.

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*Geschichte der Nationalökonomischen Krisentheorien.* By EUGEN VON BERGMANN. Pp. viii, 440. Stuttgart: W. Kohlhammer. 1895.

Professor Cossa has conveniently subdivided the general history of economic theory into an "external" history, dealing with economic systems as wholes, and an "internal" history, tracing the development of particular economic doctrines. The first method is largely biographical; the second is essentially doctrinal. The relative utility of the two methods need not be determined. They are obviously complementary rather than competitive. It is impossible to adopt a cross-sectional treatment until the broad strata of economic thought have been laid open. On the other hand, it is only by tracing the history of particular economic doctrines that the real interrelation of economic life and thought is revealed, and the fullest interpretation of economic theories, past and present, afforded. This logical succession of methods, hastened perhaps by the enduring influence of the historical school and of Roscher pre-eminently, explains the recent livelier study of economic "*Dogmengeschichte*,"—exemplified in the writings of Berens, Leser, Pierstorff, Gross, Mataja, Zuckerkandl, Ricca-Salerno, Böhm-Bawerk, Bloch, Cannan, Seligman, Taussig and a series of others.

The monograph before us, a history of theories of crises, represents a substantial contribution to this growing body of economic literature. The author's prefatory statement, that the interpretation of economic crises forms so central a point in the writings of many economists as

to afford the only avenue to a correct appreciation of their general thought is but one of a series of reasons that invite such a study. Dr. von Bergmann has shown by his critical acumen, his judicial temperateness, his skillful exposition and his easy acquaintance with a large literature, an eminent fitness for historical critical work, and the resultant monograph is one that no future student in this or adjacent fields can lightly neglect.

At the very outset of his work, the prospective historian of an economic theory is confronted by a troublesome alternative. Shall his enumeration of earlier theories be chronological or classificatory! A critical examination of successive theories in the order and in connection with the environment in which they occur, means clearer light upon the exact course of development and greater emphasis upon the respective influences of condition upon theory, of theory upon condition. A precise classification of related theories into sharply distinguished groups means more exhaustive treatment and a smaller residual. Obviously the choice, or rather the accent, will be determined partly by the temper of the writer, more largely by the nature and extent of the subject-matter. The best results will follow a combination of the two methods—a scientific classification of theories, corresponding more or less exactly with their historical succession. To such a combination, unfortunately not often possible, the history of theories of crises lends itself, and Dr. von Bergmann has profited by the opportunity, if not to the greatest degree possible, at least to the extent of making the chapters of his monograph, in general, both precise in classification and successive in time.

The general crisis of 1825 was virtually the first of international importance, and as such the first to receive careful and independent study at the hands of economists. But modern industrial depressions begin with modern industry itself, and some incidental examination of their nature and occasion is to be found in the writings of mercantilist and physiocratic writers, and of Adam Smith. These earlier views—potential theories of crises—found ordinarily in connection with theories of production and consumption, of demand and supply, are considered in the introductory chapter of the monograph.

Lauderdale, Thomas Spence, Storch and Ganilh were among the earliest writers to attempt an adequate explanation of industrial depressions, and their writings may fairly be said to contain formal theories of crises. Industrial crises and resultant stagnation are therein explained as the result of general over-production made possible by the enormous increase in productive power. The remedy, in so far as one exists, lies in a corresponding increase of consumption. These theories, with certain others closely analogous or directly

influenced, are grouped together as "simple" or "naïve over-production theories."

In the writings of the classical economists, James Mill, Say, Ricardo, McCulloch and Senior, with their forerunners and followers, is to be found the familiar interpretation of industrial disturbances, here classed as the second group of theories. It is pre-eminently the classical theory of crises. It asserts the ultimate and inevitable equilibrium of total production and total demand. General over-production is impossible. Apparent over-production is but partial under-production. Industrial stagnation is the result not of excessive, but of misdirected productive power.

Malthus, Sismondi and Chalmers represent the retort of the over-production upon the under-production or classical theory. But the "simple" or "naïve" has now become the "developed" or "perfected" over-production theory, and as such constitutes a third distinct category. General over-production is still the effective cause of industrial crises; but it in turn is brought about not merely by increased productive power, but by dynamic changes in social organization and in social consumption. The distinction between the "simple" and the "perfected" over-production theories is in degree rather than in kind, but it is marked enough to warrant differentiation.

A fourth class of theories dates from the currency controversy raging in English economic thought in the decade from 1830 to 1840. The category embraces a long list of names, from Lord Overstone and Tooke to Mangoldt and Walker, and discloses marked diversity in detailed exposition. A common characteristic of the group is, however, the explanation of industrial crisis as largely the result of an abnormal reduction of circulating capital, effected either by the positive losses of wild-cat speculation, or by an unwarranted conversion of circulating into fixed capital.

The periodic recurrence of crises distinguishes a fifth class of theories, extending from Petty's "cycle within which dearths and plenties make their revolution," to Jevons' elaborate exposition of periodicity. The essential characteristic of these theories is accordingly a close association of industrial depressions with physical rather than with socio-economic conditions. In this respect, the category is sharply distinguished from the three remaining groups which complete the author's classification. The sixth is largely eclectic, embracing a series of writers who explain crises as the result of specific economic relations. The seventh and eighth represent the contribution and influence of socialistic thought. The one class treat crises as the necessary consequence of the present distributive system; the other interpret them as the inevitable outcome of the capitalistic organization of industry.

Dr. von Bergmann has not spared in his exposition of particular theories, and the monograph is a stout volume of four hundred and forty pages. His fullness of treatment in places suggests a history of theories of consumption rather than of crises. But the text is nowhere padded, and even the passages which impress the reader as not strictly relevant are read by him with interest and care. The broad field has been well covered, and Robertson and Hobson are among the few writers of importance omitted from consideration. The exposition of widely-different theories is ordinarily fair and sympathetic and the author's comments, while often regrettably scant, are never superficial or hypercritical. The book can fairly be described as a needed piece of work skillfully done.

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*The Key of the Pacific. The Nicaragua Canal.* By ARCHIBALD ROSS COLQUHOUN. With numerous illustrations, plans and maps. Pp. xvii, 443, including eight appendices. Price, \$7.00. London and New York: Longmans, Green & Co., 1895.

Mr. Colquhoun tells the reader that he will "find in these pages the results of an examination of the problem in all its varied bearings." As a matter of fact, however, only the technical and descriptive aspects of the Nicaragua Canal project receive adequate consideration.

The book opens with a general description of the three main schemes of isthmus transit, the Tehuantepec ship railway, the Panama canal, and the Nicaragua canal, and at the close of the first chapter the author gives his reasons for deciding in favor of the Nicaragua route. The route itself is then briefly described and in this second chapter the operations of the present Maritime Canal Company and the Construction Company are also set forth. Then follows a rather superficial discussion of the important question of the guaranty of the bonds of the Maritime Canal Company by the United States Government. Though an Englishman, Mr. Colquhoun thinks that the canal should be placed under the auspices of the United States Government. He believes, however, that the canal route should be neutralized among the powers, and refers to Suez for his precedent. But it is a question how far the neutralization of the Suez Canal is effective while the English continue to occupy Egypt and control the outlet of the Red Sea. Then, again, the reference to Suez is not apposite, for this eastern canal is distant from the countries concerned and does not affect their problems of national defence and internal communication. But as President Hayes said, the Nicaragua